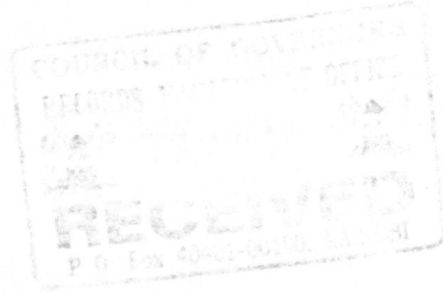




REPUBLIC OF KENYA



## INTERGOVERNMENTAL AGREEMENT (IGA)

BETWEEN

THE NATIONAL TREASURY AND PLANNING  
THE FINANCING LOCALLY -LED CLIMATE ACTION PROGRAM  
(G-FLLOCA)

AND

COUNTY GOVERNMENTS

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### Preamble

This IGA will be read together with the FLLOCA Program – Program Operations Manual of July 2021 and the FLLOCA Program Grants Manual of January 2022.

- A. Whereas the National Treasury and Planning (TNT& P) has, under the ***Financing Locally- Led Climate Action Program herein referred to as G-FLLOCA***, negotiated with the International Development Association (IDA) of the World Bank Group for financial support to strengthen the capacity of counties to devolve Climate Finance and build

local resilience at the ward level so as to minimize the impacts of climate change.

B. Whereas the TNT&P in collaboration with the Ministry of Environment and Forestry, Ministry of Devolution, Ministry of Public Service, Gender, Senior Citizens Affairs & Special Programmes, Ministry of Agriculture, Livestock, Fisheries and Cooperatives, Ministry of Water and Sanitation and the Council of Governors (CoG) has developed a climate finance mechanism as required under the Public Finance Management Act, 2012, the Climate Change Act (2016) and the National Climate Finance Policy (2018) to support the local communities at the ward level through the County Governments to enhance their planning, coding, budgeting, reporting and implementation of local climate change actions.

C. Whereas the National Government intends to make available to County Governments two new climate finance conditional grants referred to as *County Climate Institutional Support (CCIS)* and *County Climate Resilience Investment Support (CCRI)* grants, for the period covering FY 2021-26 to carry out eligible county climate resilient activities as per the FLLoCA program

Agreement and procedures set out in the Program Operations Manual (POM). The POM provides details of allowable (CCIS) and (CCRI) Activities in the G-FLLoCA Investment Menus for capital investment and capacity building activities.

- D. Whereas the grants will be allocated to counties only upon compliance with the Minimum Access Conditions (MAC) and Minimum Performance Conditions (MPC), the actual amount will be determined by the performance of each county in an Annual Performance Assessment (APA). The assessment will be carried out by a qualified independent consultant firm that will be specifically contracted for this purpose. The consultant(s) will visit the county and conduct the county assessment, with the county providing all relevant data, information, and paperwork to make the assessment possible.
- E. Whereas in the use of program funds, counties shall comply with the investment menu defined in the POM and or the Institutional and Investment Grant Manual (IIGM).

Now therefore, the Parties enter into this IGA on the following terms:

## 1. Definitions

“Accounting Officer” means the Principal Secretary in charge of the National Treasury and Planning.

“Joint Steering Committee” means the Program Steering Committee (“PSC”) formed to ensure that coherent policy decisions are taken across the various sectors to develop the climate actions, and to oversee Program implementation and to be responsible for strategic guidance and priority setting. It is composed of the Principle Secretaries for National Treasury; Ministries of; Environment and Forestry; Devolution; Public Service, Gender, Senior Citizens Affairs & Special Programmes; Labour; Agriculture, Livestock and Fisheries; Water, Sanitation and Irrigation; and Tourism and Wildlife; and the Chief Executive Officer of Council of Governors. It is chaired by the Principal Secretary in The National Treasury and Planning and Co-Chaired by the Principal Secretary, Ministry of Environment and Forestry.

“The Inter-Agency Technical Advisory Committee (I-TAC)” is the team formed to guide and support the overall implementation of the program, including technical, strategic guidance, and advisory oversight. The ITAC is composed of representatives from relevant line ministries, departments and agencies, including Ministry of Environment and Forestry (CCD, KMD and

NEMA); Ministry of Labour (DOSH); Ministry of Public Service, Gender, Senior Citizens Affairs & Special Programmes(SRM) Ministry of Devolution, Ministry of Agriculture, Livestock, Fisheries and Cooperatives; Ministry of Water, Sanitation and Irrigation; The National Treasury; Council of Governors, and representatives from the Private Sector, Civil Society, Indigenous, Vulnerable and Marginalized groups, Academia and Development partners.

“Program Implementation Unit (PIU)” refers to the unit established by The National Treasury and Planning to carry out the day-to-day management and coordination of the program. It is based at the TNT Climate Finance and Green Economy Unit

“Parties” mean the National Treasury through the FLLoCA Program and the Council of Governors.

## 2. Obligations of the Parties:

### 2.1 The National Treasury :

- (a) Will be the Program’s Implementing Agency given its mandate to mobilize resources to counties, and will determine procedures and requirements for accessing resources, eligibility, and disbursement, and ensure fiduciary standards

(b) In charge of the Program oversight and institutions including Program Steering Committee, Inter-Agency Technical Advisory Committee and County Climate Change Unit;

(c) Will coordinate and manage the Program's work plans and ensure that the operational, financial management, procurement, disbursement, safeguards, M&E, and reporting aspects of the Program are implemented in accordance with the Financing Agreement and the Program Operational Manual (POM);

(d) Will facilitate assessment of counties on Program Minimum Access Conditions, Minimum Performance Conditions, and Performance measures and verification protocols.

(e) Will circulate to counties a list of WBG blacklisted firms and individuals, which the county government will adhere to.

(f) That the Accounting Officer for the National Treasury in consultation with the Joint Steering Committee and IDA may suspend or terminate the right of the County Government to use or benefit from the use of the proceeds of the Institutional and Investment Grants upon failure by the County Government to perform its obligations under this Agreement and to comply with the minimum access

conditions and minimum performance conditions or disbursement triggers;

## 2.2 County Government

- (a) Utilize the two conditional grants (CCIS & CCRI grants) in accordance with the Constitution, the Public Finance Management Act 2012 and its Regulations, all other relevant laws, G-FLLoCA program guidelines and eligible expenditure areas
- (b) Comply with the national Environmental and Social Management System, the WB's Environmental and Social System's Assessment (ESSA) and G-FLLoCA's Environmental and Social (E&S) Manual by carrying out environmental and social assessments, resettlement action plans, implementing the environmental and social management plans (ESMPs) and monitoring, and operationalizing a functional grievance redress mechanism that is accessible to the residents and other relevant stakeholders;
- (c) Deploy a fulltime qualified and competent environmental and social staff to support environmental and social risk management for the Program;
- (d) Maintain adequate records in accordance with sound accounting practices and proper coding of the revenues and

expenditures of the operations, resources and expenditures in respect of the Institutional and Investment Grant Activities;

(e) That the goods, works and services to be financed from the proceeds of the G-FLLoCA Program's Institutional and Investment Grants shall be procured in accordance with the procurement procedures established by law in the Republic of Kenya and as set forth in the POM and the County Procurement Plan.

(f) Provide information to the Joint Steering Committee as it or World Bank Group (WBG) shall reasonably request regarding the administration, operation and financial management of the grants and that the county will report on the utilization of funds from the grants;

(g) Carry out Institutional and Investment Grant Activities that will not have significant adverse environmental and social risks and impacts on the environment and the people as per the national environmental and social management systems and consistent with the World Bank Environmental and social Core Principles, ESSA and the Project's E&S Manual;

(h) That the County Government shall submit any complaints or evidence of fraud involving G-FLLoCA Program expenditures to the Ethics and Anti-Corruption Commission.



- (i) Provide information and support in terms of documentations, disclosure of materials etc. to the annual performance assessment teams and participate actively in providing the team with all the requested information, needed to achieve the results in the assessment, etc.
- (j) Ensure that all financial as well as progress reports are compiled and submitted to the PIU as per the guidelines for the Program and ensure a proper compilation of complaints on issues of environmental and social safeguards, procurement and fraud and corruption.

### 3. Amendment

3.1 Any amendment to this IGA shall be proposed by mutual agreement between the Parties and referred by the Joint Steering Committee for approval or rejection.

3.2 Any changes, modifications, revisions or amendments to this IGA which are approved shall be incorporated by written instruments and shall be effective from the date of approval.

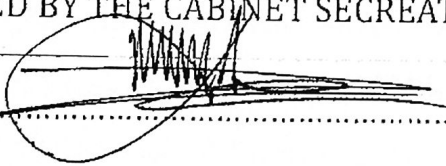
### 4. Dispute Resolution

4.1 The ITAC shall submit any dispute between the Parties resulting from the interpretation and/or execution of the Framework Agreement to the Joint Steering Committee for ultimate determination if it cannot be resolved amicably.

IN WITNESS WHEREOF the Parties to this Intergovernmental Agreement have set their hands and Seals the day and year first hereinabove written.

**For The National Treasury and Planning (TNT&P):**

SIGNED BY THE CABINET SECRETARY



Date: 28<sup>th</sup> April, 2022

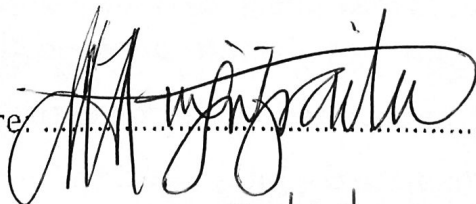
**For County Government:**

SIGNED BY THE GOVERNOR  
COUNTY OFFICIAL SEAL

Name ..... H.E. KIRAITU MURUNGE, EGH, OKN

COUNTY GOVERNMENT OF: ..... MERU

Signature: .....



Date: .....

28/05/2022

No.	COUNTIES	CCC ACT 2021	MINIMUM ACCESS CONDITIONS FOR COUNTY CLIMATE INSTITUTIONAL			
			SPECIAL PURPOSE ACCOUNT	GOVERNOR APPROVED WORKPLAN	APPOINTMENT OF CECM CLIMATE CHANGE	SIGNED FLoCA PARTICIPATION AGREEMENT
1	Vihiga	✓	1000486848 (CBK)	✓	✓	
2	Nyamira	✓	1000546069(CBK)	✓	✓	
3	Kisil	✓	1000522275 (CBK)	✓	✓	
4	Meru	✓	1000553057 (CBK)	✓	✓	
5	Kakamega	✓	1000537515 (CBK)	✓	✓	
6	Tharaka Nithi	✓	1000542028 (CBK)	✓	✓	
7	Kitui	✓	1000570571 (CBK)	✓	✓	
8	Kericho	✓	1000541757 (CBK)	✓	✓	
9	Mandera	✓	1000504951 (CBK)	✓	✓	
10	Trans Nzola	✓	1000547367 (CBK)	✓	✓	
11	Busia	✓	1000535849 (CBK)	✓	✓	
12	Machakos	✓	1000470739 (CBK)	✓	✓	
13	Kilifi	✓	1000546778 (CBK)	✓	✓	
14	Migori	✓	1000547944(CBK)	✓	✓	
15	Makueni	✓	1259197174 (KCB)	✓	✓	
16	Kisumu	✓	1000470615 (CBK)	✓	✓	
17	Wajir	✓	1224515609 (KCB)	✓	✓	
18	Embu	✓	1000512199 (CBK)	✓	✓	
19	West Pokot	✓	1000491558 (CBK)		✓	
20	Kiambu	✓	1000543574(CBK)		✓	
21	Turkana	✓	1000544268(CBK)		✓	
22	Marsabit	✓	1000506587(CBK)		✓	
23	Bungoma			✓	✓	
24	Nyandarua	✓			✓	